



Office of the Commissioner, Goods & Services Tax Commissionerate, Chandigarh
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C.No.: IV(16) Tech/Trade Notice/Reorg/CHD/109/2017/6034-53 Dated: 14/11/2018

व्यापार सूचना / Trade Notice No. 09/GST/CHD/2018

दिनांक / Dated: 14/11 /2018

Subject: Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16 - reg.

Enclosed herewith is Circular No. 69/43/2018- GST dated 26.10.2018 issued by Commissioner (GST), GST Policy Wing Central Board of Indirect Taxes and Customs, vide F.No. CBEC/20/16/04/2017-GST regarding processing of applications for cancellation of registration submitted in FORM GST REG-16.

2. Difficulty, if any, in implementation of the above instructions may be brought to the notice of the undersigned.

3. All the Trade Associations/Chamber of Commerce and Members of RAC/PGRC are requested to publicize the contents of this Trade Notice amongst their Members/constituents for information and necessary action.

Sd/-
(किशोरी लाल)
आयुक्त

प्रतिलिपि:-

1. मुख्य आयुक्त, सीजीएसटी जोन, चंडीगढ़ जानकारी हेतु ।
2. आयुक्त, केन्द्रीय वस्तु एवं सेवा कर आयुक्तालय, लुधियाना/शिमला/जालंधर/जम्मू।
3. आयुक्त (लेखा परीक्षा), चंडीगढ़ / जम्मू / लुधियाना।
4. आयुक्त (अपील), चंडीगढ़ / लुधियाना / जम्मू।
5. उप/सहायक आयुक्त, सीजीएसटी मंडल- I / II / III, चंडीगढ़।
6. अधीक्षक (सिस्टम), सीजीएसटी, आयुक्त, चंडीगढ़ को आयुक्तालय की वेबसाइट पर अपलोड करने के लिए।
7. ट्रेड एसोसिएशन / वाणिज्य मंडल और आर.ए.सी / पी.जी.आर.सी के सभी सदस्यों।
8. सूचना बोर्ड।

उप आयुक्त (तकनीकी)

F. No. CBEC/20/16/04/2018-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 26th October, 2018

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/
Commissioners of Central Tax (All)

The Principal Directors General/Directors General (All)

Madam/Sir,

**Subject: Processing of Applications for Cancellation of Registration submitted in
FORM GST REG-16 - Reg.**

The Board is in receipt of representations seeking clarifications on various issues in relation to processing of the applications for cancellation of registration filed by taxpayers in **FORM GST REG-16**. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act"), hereby clarifies the issues as detailed hereunder:

2. Section 29 of the CGST Act, read with rule 20 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Rules") provides that a taxpayer can apply for cancellation of registration in **FORM GST REG-16** in the following circumstances:
 - a. Discontinuance of business or closure of business;
 - b. Transfer of business on account of amalgamation, merger, de-merger, sale, lease or otherwise;
 - c. Change in constitution of business leading to change in PAN;

proper officer should accept all such applications within a period of 30 days from the date of filing the application, except in the following circumstances:

- a) The application in **FORM GST REG-16** is incomplete, i.e. where all the relevant particulars, as detailed in para 4 above, have not been entered;
- b) In case of transfer, merger or amalgamation of business, the new entity in which the applicant proposes to amalgamate or merge has not got registered with the tax authority before submission of the application for cancellation.

In all cases other than those listed at (a) and (b) above, the application for cancellation of registration should be immediately accepted by the proper officer and the order for cancellation should be issued in **FORM GST REG-19** with the effective date of cancellation being the same as the date from which the applicant has sought cancellation in **FORM GST REG-16**. In any case the effective date cannot be a date earlier to the date of application for the same.

6. In situations referred to in (a) or (b) in para 5 above, the proper officer shall inform the applicant in writing about the nature of the discrepancy and give a time period of seven working days to the taxpayer, from the date of receipt of the said letter, to reply. If no reply is received within the specified period of seven working days, the proper officer may reject the application on the system, after giving the applicant an opportunity to be heard, recording reasons for rejection in the dialog box that opens once the 'Reject' button is chosen. If reply to the query is received and the same on examination is found satisfactory, the Proper Officer may approve the application for cancellation and proceed to cancel the registration by issuing an order in **FORM GST REG-19**. If reply to the query is found to be not satisfactory, the Proper Officer may reject the application for cancellation on the system, after giving the applicant an opportunity to be heard. The Proper Officer must also record his reasons for rejection of the application in the dialog box that opens when the 'Reject' button is chosen.

7. Section 45 of the CGST Act requires every registered person (other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52) whose registration has been cancelled, to file a final return in **FORM GSTR-10**, within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The purpose of the final return is to ensure that the taxpayer discharges any liability that he/she may have incurred under sub-section (5) of the section 29 of the CGST Act. It may be noted that the last date for furnishing of **FORM GSTR-10** by those taxpayers whose registration has been cancelled on

10. Rule 68 of the CGST Rules requires issuance of notices to registered persons who fail to furnish returns under section 39 (**FORM GSTR-1, FORM GSTR-3B and FORM GSTR-4**), section 44 (Annual Return – **FORM GSTR-9 / FORM GSTR-9A / FORM GSTR-9C**), section 45 (Final Return – **FORM GSTR-10**) or section 52 (TCS Return – **FORM GSTR-6**). It is clarified that issuance of notice would not be required for registered persons who have not made any taxable supplies during the intervening period (i.e. from the date of registration to the date of application for cancellation of registration) and has furnished an undertaking to this effect.

11. It is pertinent to mention here that section 29 of the CGST Act has been amended by the CGST (Amendment) Act, 2018 to provide for "*Suspension*" of registration. The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation. Although the provisions of CGST (Amendment) Act, 2018 have not yet been brought into force, it will be prudent for the field formations not to issue notices for non-filing of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the CGST Act. However, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.

12. It may be noted that the information in table in **FORM GST REG-19** shall be taken from the liability ledger and the difference between the amounts in Table 10 and Table 11 of **FORM GST REG-16**.

13. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

14. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)